App. F. IX-4

1930 (9.7.)

File No. 6-30

Serial Nos. 142

Previous Reference

9.7. 5-29-142

~~9.7~~

Later References

G.7. 6-30 (78, 79) PRESERVED ✓ p. 20 (F)

— Dep 656/31

General and Revenue Secretariat.

GR-172-33(2)-40)

Serial Nos. 2

Dep

Part B for November 1930.

SUBJECT.

Proposal regarding the heads under which charges relating to the new loans are to be booked

12) To, comptroller

No 7L 1208 W 14/15 - 8 - 1930.

Approved

30/4/30

General and Revenue Secretariat 97 File No. 6 of 1930

Serial No.

From

The Comptroller no. 33658 26.6.30

Submits proposals regarding the establishment etc required in connection with the floatation of the new loan -

The Comptroller ~~recommends~~ proposes to post 1 Supdt, 4 Accountants ~~4~~ clerks to attend to the new loan work to the State loan Section of his office & recommends the grant of an allowance of $\frac{1}{3}$ of pay to the entire staff (including the present staff attached to the S.L. Section).

2 The deputation allowance granted to those placed on special work is 20 per cent of their pay whereas the allowance recommended now is $\frac{1}{3}$ of pay. But in the present case, the Comptroller ~~proposes~~ to appoint new clerks on Rs 30/ each in place of those ~~employed on~~ selected for new loan work whereas in the case of deputation, the places are filled up by promotions temporarily.

The Comptroller has explained how the work is laborious may be allowed. With [illegible]
AWD
28.6.30

Draft Subd.

KW
28/6

3 Drafting Comptroller's proposals is in accordance

AWD
28.6.30

HSey

4 Where is the previous Council the list ?

5 Is it to be voted or non-voted ?

Loan papers should be labelled "

Main Council Comptr and Secretariat with proposals as to how all expenditure connected with the new loan has been met

28/6/30

PT

Note—Contn. Sheet

WD 01684—GPB—30,000—20-4-29

Serial No.

6 As required, the Comptroller has been consulted regarding the expenditure on account of the new loan floated and the unofficial note obtained ~~to save time~~ direct from to save time is placed on file.

R

7 In the Govt of India, the charges are brought to book in the Revenue Account under Interest, but the working under Revenue is complex at present with a Sinking fund contributing to swipe off the heavy charges incurred on discount etc by spreading the charges over a number of years for the period of the loan so as to equalize the pressure against the Revenue Budget etc. & make a fair estimate as regards the rate of interest to be charged to Railways & Commercial Depts - Revenue with a separate Budget of finance of their own.

8 Such a contingency does not obtain with us & we may therefore accept the proposals of the Comptroller in Item 3 of his note viz that the entire charges be booked under Interest (i) Discount written off & Revenue Miscellaneous (ii) management of Debt, (iii) Commission brokerage etc (iv) Other items, the first item being non-voted & the rest voted.

9 As regards the discount it is proposed that it may be written off in a period of 3 to 5 years from during the terms of the loan, as our procedure is intended simply to relieve the pressure against the Rev. Budget.

The grants required under (ii), (iii) & (iv) will have to be obtained by a supplementary vote at the next Session of the Council, as the Head Interest cannot obviously be expected to surrender a sum to cover the charges in question by reappropriation.

10 The actual discount of the loan may be brought to book

Note—Contn. Sheet

WD 01684—GPB—30,000—20-4-29

Serial No.

under a suspense head "Discount Sinking Fund" as in the Govt of India" and wiped off at the end of the period prescribed the annual relief by charge off to the Discount head under 9 Interest.

~~Draft in Corporation Loan Sanction rejected~~

Approval for Corporation Loan

683/417

A.D.C.
4.7.30.

H Secy)

11

A/ The Comptroller proposed P.N.D. of 8th June 1930 sanctioned

12 The points raised in this D.O. note of 3rd July 30 will be separately examined and a note put up for orders

1st member) 4/7/30

A. 13 Yes. It may be necessary to advertise in some other local papers and the Publicity Branch may be consulted when the loan is announced.

14 May the draft approval issue? 6/7/30

W 7/7 15 Yes

7.7.30

2 To Re Comptroller no. H. 148 & 9.7.30 Sanctions the Establishment.

OFFICE OF THE FIRST MEMBER COUNCIL
5 JULY 1930
No. 1364

7 JULY
No.

WD 01684—GPB—30,000—20-4-29

General and Revenue Secretariat 97 | File No. 6 | of 1930

Serial No.

Subd. with references

(G.F. 5-29-flagged O)

The suggestion to open a new minor head under 9 Interest on Debt for booking the cost of management of debt & remuneration & commission made by the Comptroller was not approved by the Public Accounts Committee. (Vide page 70 of the P.A.C. Report for 1929).

This is not the last word. The opinion of the Committee did not-even the present case as temporary, as the amounts has been entertained and other charges have been in existence in Calcutta with the Calcutta Corporation & the Municipality of the Northern Area.

The points on which orders are necessary are,

(1) The opening of a new head under 9 Interest & Charges discount under loans floated to take the annual account the full portion of annual outlay in the Revenue account

(2) The opening of a debt head discounting & to take the whole outlay on account of such discount

(3) To treat items (1) above as non-voted

(4) The fixation of the period within which the amount of discount has to be written off to Revenue. This has to be fixed with reference to the burden to the Revenue Budget.

H.M. 7.30

(Jersey)

9. Interest on debt and other obligations.

1. Interest on debt -- is a non-voted Minor head. The Comptroller proposes to have a separate Major head for this.

I think we may continue the existing classification for the present, at all events till a need arises for a change.

It is however necessary to have a detailed

Note—Contn. Sheet

WD 02328---GPB—10,000--22-4-30

General and Revenue Secretariat 9.7 | File No. 6 of 1930.

Serial No.	
	detailed head to take in the charges other than interest which are chargeable to the year's revenue, such as discount in the issue price, charges on temporary establishment entertained for the time being to cope with the additional work connected with the flotation, brokerage etc., paid to banks and brokers etc.
	Re :- discount, we may with advantage follow the Government of India arrangement of booking the charges under a suspense head in the first instance and transfer them to the revenue head in instalments. The Comptroller proposes that this adjustment should be made in a period -- 3 or 5 years. This point may be settled later after the results of the loan operation are known. In the meantime an additional detailed head "other items" may be opened under 9. Minor head No. 1., and in it, may be shown all the revenue charges connected with the flotation of the New Loan
	The Comptroller has been authorised to detail in an appendix to the Budget the items included under non-descriptive heads such as Miscellaneous, other items. And in this appendix the several charges included under 9. Interest on debt -- other items, may be shown. This detailed head 9. 1. (ii) 'other items' may be temporary

Note—Contn. Sheet

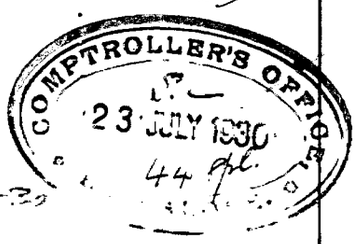
WD 02328--GPB—10,000--22-4-30

Serial No.

I shall be obliged if the Comptroller will kindly offer his views on the above modification in the proposals put up in his U. O. Note.

23.7.30

To Comptroller with compliments



U.O. No. 199 dated 23-7-30

Base

1560
30/7

Returned with compliments.

2. The charges relating to the Loan may be booked under the existing minor heads "1. Interest on Debt" under the Major head, 9 Interest on Debt and other obligations," as proposed as already suggested in my Unofficial Note No.2/Books. dated 3rd July 1930. I did not propose the opening of any new Major Head.

I was misled by the phrase under one Major head

3. It appears better to open the necessary detailed heads of account ~~under the Minor Heads of Account~~ under the minor head referred to so that charges under each head may be separately available in accounts when required for future reference. Clubbing them all and showing one figure in published accounts under the Non_descriptive head "Other Items" does not appear to me desirable. The details that are now being given in the respective pages of the Budget as foot notes (not in an

Note–Contn. Sheet

5764 6

App. F. III—2]

General and Revenue Secretariat 87 | File No. 6 of 1930

Serial No.

in an Appendix as stated by the Financial Secretary - Vide Government Order No.Fl.8444/G.F. dated 28th/30th June 1930) relate only to the amounts shown against "Miscellaneous" and "Other Items" of the Budget year, and no details for the amounts entered in the column "Accounts" are furnished.

5. I note the remarks of the Financial Secretary re discount on Loans. The charges will, accordingly be booked, in the first instance, under a suspense head to be opened for the purpose, pending decision of the question, as regards the period within which they should be adjusted to revenue.

Comptroller.

The Financial Secretary.

OFFICE OF THE ... 30 JULY 1930 747

The comptroller's proposal may be approved

(H. Member) 30/7/30

31.7.30

Draft Sanctioned

Issue No. 12.8.30

Note—Contn. Sheet

WD 02328—GPB—10,000—22-4-30

SAM)

G.76.30.1

URGENT

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

No. 3365/S.L. Bangalore, dated 26th June 1930.

FINANCIAL SECRETARY
27 JUN 1930
No.

From
S. SHAMANNA, Esq., B.A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

To
Rajasevaparayana,
B. Sreenivasa Iyengar, Esq., B.A., B.L.,
Financial Secretary to the Government of Mysore,
Bangalore.

Sir,

In continuation of this office letter No. 1791 S.L. dated 1-4-1930 I have the honour to submit the following proposals regarding the Establishment, etc., required in connection with the floatation of the new loans.

I. Establishment. -

2. In G.O. No.Fl. 6234/G.F.246-20-3 dated 14-4-1921, the following establishment was originally sanctioned for the floatation of the loans issued during 1921.

One	Superintendent	on Rs.	150.
1	Accountant.		100.
2	"		70
1	"		50
1	"		40
1	Clerk		60
1	"		50
2	Attenders	on	15 each.
2	Peons	"	10 & 9.

This establishment was engaged from 1-7-1921 to 11-1-1922, i.e., nearly six and half months.

3. As this establishment was found to be inadequate to cope with the work, the following additional establishment was sanctioned in G.O. No.Fl.6390/G.F.246-20-5 dated 22-4-1921 and the cost thereof met from a lumpsum grant of Rs.5000 sanctioned for the purpose.

2	Clerks	on Rs.	35 for 3 months.
1	"		30 "
1	"		25 "
1	"		30 for 1 month.
1	"		30 between 26-9-21 & 30-11-1921.
1	"		30 " 1-7-21 & 30-11-21.

Remuneration to typing, multigraph and despatching Sections at Rs. 50, per month for 3 months.

The total cost of establishment as finally engaged was Rs. 4,853.

8

4. The work in connection with the new loans may be taken to be much heavier than ~~that~~ in 1921 due to the expected large scale conversion of the 7% Loan. There are now nearly 16,000 pieces of this loan in the hands of the public and as the greater amount of these is held by the commercial institutions and Banks, each one of the pieces held by them will, on the average, have a larger number of endorsements on them than would be the case, if the bonds were held by private persons. And most of these endorsements will require during examination a reference to the registers of powers of attorney, constitution of firms, etc. The work of examination and conversion of bonds on a large scale would therefore not only require a sufficiently large establishment but this establishment will have to possess the technical experience required of the Public Debt work. It is therefore necessary that the full resources of the existing establishment doing the public debt work ~~shall~~ should be utilised for the new loan work and the current work got through by working extra hours and by entrusting a portion of the work to the new hands that have to be employed. In addition to the existing staff, I propose the following establishment at least, may be engaged.

1 Superintendent	on average pay	Rs. 142½.
4 Accountants	"	90½ each.
4 Clerks	"	52 each
1 Attender	on	Rs. 19.
2 Peons	on	12 each.

5. As far as possible the Superintendent, Accountants and Clerks will be selected from those who have previous experience of State Loan work and fresh men on Rs. 30, each engaged in their places. As, on an average, all the men engaged on the new loan work will have to work for about 3 hours each day in addition to the normal hours of work, I consider it necessary that they should be given a monthly allowance of 1/3 of their pay. The entire loan work may cover a period of four months beginning with at least

least 15 days before the date on which the loan will be open for subscriptions. As and when the work diminishes, steps will be taken to reduce the establishment. The cost on account of these proposals is as follows:-

(1)	9 Fresh Clerks on Rs.30 each.	Rs.270.
	1 Attender on Rs.19.	19
	2 Peons on Rs.12 each.	24
(2)	Allowances to the Staff doing both current as well as new loan work at 1/3 of pay.	about 668.
(3)	Allowance to the staff taken from other work to the new loan work at 1/3 of pay.	236.
	Monthly charge.	1217.
	For four months, the charge is	4,868.
	or say roughly Rs.	5,000.
	Establishment charges during 1921.	4,853.

With the same extra cost as in 1921, more work is proposed to be done this time, as we have got ready at hand a trained staff.

II. Advertisement. -

I send herewith a list of news-papers and periodicals in which advertisements regarding the new loans may be inserted, the number of proposed insertions in each case, and the cost as ascertained from the papers. A sum of Rs.1,000, is also provided for displaying big size posters in prominent places in Bombay, Madras, Bangalore and Mysore through the agency of bill posting companies. This will be in addition to the display of posters through the Deputy Commissioners Amildars, Banks, etc. This form of advertisement is being done by the Government of India also. The total cost on account of advertisement roughly amounts to Rs.15,000, as against Rs.28,858, spent on the last occasion.

III. Printing of forms & registers. - The Superintendent Government Press who was consulted informally on

) 10

on these matters states that a sum of Rs.2000, may be provided as against the actual expenditure of Rs.1,629 on the last occasion.

IV. Contingencies. - A lumpsum provision of ~~Rs.~~ Rs.1,500, may be provided under this head as on the last occasion.

To sum up I request sanction of Government for the following:-

(1) A grant of Rs.5,000/- for additional establishment as on the last occasion and approval to entertain the new staff and give allowances to the existing staff as noted in paras 4 and 5 above.

(2) A grant of Rs.15,000/- for advertisement and approval to publish in the papers shown in the statement, to the extent specified.

(3) An addition of Rs.2,000, to the Press Budget.

(4) A grant of Rs.1,500 for my office contingencies.

I have the honour to be,

Sir,

Your most obedient servant,

Comptroller.

S.S.

I. Local.

1. Mysore Chamber of Commerce Report.	Full page.	4	Insertions.	Rs. 150.
2. The Daily Post. (Rates awaited).				750.
3. The Vrittanta Patrike.	Full page.	4	"	160.
4. Vokkaligara Patrike.	Full page. (including discount at 12½%)	4	"	80.
5. Kurubar Patrike.	" "	4	"	70.
6. The Bangalore Times.	" "	4	"	~~140~~ 140.

II. Madras.

7. The Madras Mail.	Full page. Half page.	1 3	Insertions. "	1,050.
8. The Hindu.	Full page. Half page	1 3	" "	1,750.
9. The Justice.	Full page.	2	"	500.
10. The Swadesha Mitran.	Full page. Half page	1 2	" "	530.
11. The Andhra Patrike.	Full page. Half page.	1 2	" "	400.

III. Bombay.

12. The Times of India.	Full page. Half page. ¼ "	1 1 2	" " "	2,140.
13. The Indian Daily Mail.	Full page. Half page	1 3	" "	530.
14. Jamae-Jamshed.	Full page. Half page.	1 2	" "	350.
15. The Hindustan & Prajamitra.	Full page. Half page	1 2	" "	265.

IV. Other Places.

16. The Statesman, Calcutta.	Full page. Half page. ¼ "	1 1 2	" " "	2,000.
17. The Capital, Calcutta.	Full page.	4	"	540.
18. The Amrita Bazaar Patrike, Calcutta.	Full page. Half page.	1 3	" "	1,075.
19. The Pioneer, Allahabad.	Half page.	2	"	540.
20. The C.M. Gazette, Lahore.	Half page.	2	"	540.
21. The Tribune, Lahore.	Half page.	2	"	700.
22. Exhibition of posters.				1,000.
		Total.		Rs. 15,160.

27.6.30.

Unofficial Memo No.2/Books dated 3rd July 1930.

Miscellaneous Charges relating to Public Debt

The question of the heads under which charges relating to the New Loan are to be booked in accounts, is now to be decided In 1920 and 1921 when 6¼ per cent and 7 percent Loans were floated, the charges on account of additional establishments entertained for the purpose, were booked under 12.General Administration-Comptroller's Office alone; but other incidental charges incurred viz., Discount and Commission, brokerage etc were classified under 9.Interest.

2. In the Government of India, all such charges are booked under 9.Interest (Vide page 25 of Appendix 7 to the Audit Code and page 299 of Finance and Revenue Accounts 1927-1928. But since 1926-27 the Government of India have changed the procedure in regard to the adjustment in annual accounts of the Discount on Loans Vide Note given on page 169 of the Appropriation Accounts of the Central Government for 1926-27 extracted below -

" The Government of India have decided not to charge to current revenues the whole of the discount amounting to Rs 354 lakhs on the Rupee Loan raised in 1926-27. Hitherto it was the practice of the Government of India to adjust the entire amount of the discount against the revenue of the year in which the loan was raised, but, in 1926-27, it was impossible to meet this large sum entirely out of the year's revenues. The method of adjustment hitherto followed had also the disadvantage of giving misleading results by unduly swelling in the year of issue, the amount debited to interest and hence the average rate paid on non-specific debt on which is calculated the charge against Railways and other commercial Departments. The Government of India have, therefore, decided to establish a sinking fund for the discount and to spread the charge to revenue over the period of the Currency of the loan, the discount being charged to a new local ledger head "Discount Sinking Fund" under "Suspense Accounts" in Section P-Deposits and Advances. The debit under the Suspense head will be cleared by annual payments out of revenue rising from Rs 4.37 lakhs in 1927-28 to Rs 20.23 lakhs in 1960-61 on a 4½% sinking fund basis."

3. In my No.2021/SL dated 13/22-3-1929, I had suggested that cost of management of debt and remuneration and commission etc may be booked under 9.Interest: but my proposals were

G.F. 5-29(1-2).

13

Flag O

not accepted by the Public Accounts Committee Vide Financial Secretary's letter No.Fl.143 dated 6th July 1929. I would suggest that the entire charges relating to the debt to be floated in the current year may be booked under one Major head 9.Interest as under

(i) Discount written off to Revenue(being the amount of the discount charged in the year's accounts.)

Miscellaneous

(ii) Management of Debt
(iii) Commission, brokerage etc
(iv) Other items.

The entire discount may be shown under a Suspense head and adjusted to Revenue in a period of 3 to 5 years. We need not spread it over a longer period as in the Government of India because the object is only to relieve the undue pressure on one year's Budget and not to arrive at an equitable figure to be charged to commercial concerns on account of interest on debt.

The charges relating to management of Debt, and Commission, brokerage etc., are voted in Govt. of India and may be treated here also as voted. The discount written off to Revenue is non-voted like interest charges.

S. Shamanna
Comptroller.

To

The Financial Secretary
to the Government of Mysore,
Bangalore.

with compliments.

CV

14

G.R.S. App. F VI G-2]

5

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

Sec G.7 b.30
File No.
Serial No. 2

General and revenue Secretariat

( )

the 192 .

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue 9.7.30

Signed by.....

Read—

Letter no. 3365/S.L.&26th June 1930 from the Comptroller to Govt. requesting sanction to the following proposals in connection with the floatation of the new loan:

(i) Grant of Rs 5,000 for additional establishment ~~and approval to~~

Order Thereon No.

~~entertain~~ 9 clerks on Rs 30/ each + ~~fixing allowances to the entire staff~~ for a period of 4 months, as noted in the margin

(ii) Grant of Rs 15,000 for advertisement + approval to publish in ~~certain~~

May this be

i Printed ?

ii treated as a standing order ?

iii published in the Gazette
for 4 mths. English Part ?

iv translated ?

v placed at the disposal of the press ?

vi published in the Gazette, Kannada Part ?

~~Additional Estt of the Comptroller's office required for work in addition to the~~ ~~in the staff of the~~ Stores Section:

1 Supdt.
4 Accountants
4 clerks.

Fresh Estt

9 clerks on Rs 30/ Each
1 Attender " 12/
2 peons " 12/ Each

Allowances to the entire staff " 668
doing the work at ½ pay " 236 -

15

newspapers Specified ;

(iii) Grant of Rs 2000 for printing of forms + registers ; &

(iv) Grant of Rs 1,500 for office contingencies.

Order: Fl 148/

Sanctioned - Separate order will issue regarding the points raised in his U.O. note dt 3rd July 1930

4/7/30

Fl : Secy to Govt

NV.
To.

The Comptroller

List of enclosure.

Copied by

Examined by

WD 0326—GPB—12,5[illegible]—250-21

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

16

Read:—

Letter No.3365/S.L. dated 26th June 1930 from the Comptroller to Government requesting sanction to the following proposals in connection with the floatation of the new loan:-

Establishment of the Comptroller's Office required for work in addition to the present staff of the State Loan Section for 4 months. 1 Superintendent, 4 Accountants 4 Clerks. Fresh Establishment. 9 Clerks on Rs 30/- each 1 Attender " 10/- 2 Peons " 12/- each Allowances to the entire staff doing the work at 1/3rd pay (668+236)	(i) Grant of Rs 5,000/- for additional establishment as noted in the margin; (ii) Grant of Rs 15,000/- for advertisement and approval to publish in newspapers specified; (iii) Grant of Rs 2,000/- for printing of forms and registers; and

(iv) Grant of Rs 1,500/- for office contingen

ORDER NO: FL: 148

Dated, Bangalore, the 8th July 1930.

Sanctioned. Separate order will issue regarding the points raised in his Unofficial note dated 3rd July 1930-

For Financial Secretary to Government.

To

The Comptroller to Government.

Appendix F G—1

SUBJECT.....

.....

.....

Section 9 2

File No. 6.30

Serial No. 9

No. H 1208/

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *192*

To

The Comptroller to Govt

Date of issue 15-8-30

Signed by M. A. R. A.

Sir,

I am directed to convey approval of Govt. to the proposals made in your unofficial notes. ending with ~~your~~ no. 199/Books of 28.7.30 in regard to the heads under which charges relating to the New Loans are to be booked.

I have etc

A.S. 12.8.30

for H: Secy to Govt

List of enclosures.....

Copied by.....

MW

Examined by.....

over

WD 063—GPB—20,000—1-8-29

18

14th August
15-12

F/11208/

S. Shamanna, Esq., B.A.,
Comptroller to Government.

I am directed to convey approval of Government to the proposals made in your unofficial notes ending with No.199/Books dated 28th July 1930 in regard to the heads under which charges relating to the New Loans are to be booked.

I have the Honor to be,
Sir,
Your most obedient servant,

For Financial Secretary to Government.

S.R.-2